

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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THE RETIREMENT PLAN OF THE UNITE HERE
NATIONAL RETIREMENT FUND,
And The Trustees of the Unite Here
National Retirement Fund

Plaintiff(s),

**AFFIDAVIT IN
SUPPORT OF MOTION
TO DISMISS**

-against-

VILLAGE RESORT, INC., d/b/a
THE PURPLE HOTEL, and
JOHN DOES 1-10 (all other trades or businesses
under common control with Village Resorts, Inc)

Defendant(s).

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State Of Illinois County Of Cook SS.:

DONALD BAE, being duly sworn, deposes and says:

1. I am the President and General Manager of Village Resorts, Inc. and submit the affidavit in support of the motion to dismiss.
2. I have been the President and General Manager of Village Resorts, Inc. almost continuously since 1991 and as such I am fully familiar with the facts and circumstances concerning this lawsuit. This business is now closed due to financial problems. I ran and manage the day to day operations of the Purple Hotel, a small hotel located in the suburbs of Lincolnwood Illinois. It was a small family owned enterprise. Our small business catered wedding parties, local business functions as well as small banquets.

3. This business has had no contacts whatsoever with the State of New York. We never had any offices in New York State. We never had any phone numbers or any business relationships in the State of New York. We are only licensed to do business in Illinois.

4. I have read my attorney's Memorandum of Law and agree that this case should be dismissed because it would be unreasonable to force this small defunct business to defend itself in the Southern District of New York.

5. Everything that gave rise to this lawsuit occurred in Illinois. I was completely surprised to find this company as a defendant in a lawsuit in New York State. I reiterate what my attorney states in his Memorandum of Law. The funds are only partly administered in New York State and this should not force this small company to defend itself in New York. We simply cannot afford to defend in New York State. We simply cannot afford to travel to New York State for all the proceedings that will follow in what appears to be protracted litigation.

6. The plaintiffs are claiming an amount of money that seems to be picked out of a hat. There is no rhyme or reason to suggest that this company actually owes the amount of money that is demanded in the complaint. The plaintiffs, however, are trying to force me to acknowledge an amount of money that makes no economic sense. I think it is only natural that this matter be fully defended in our home state of Illinois.

7. This court should be aware that towards the end of 2006, the Hotel had several meetings with the Union. At the Union's request, Joe Dula a federal mediator was present. Bill Bichirstaff represented the Union. I represented the Hotel. The purpose of these meetings was to renegotiate the collective Bargaining agreement. These

negotiations failed because we were unable to increase any contributions due to financial hardship. We informed them we could no longer afford to stay open.

8. Bill Bichirstaff was aware of our financial difficulties and informed me that the Union would not assert any withdrawal liability claim against the Hotel. The Union then changed representatives and asserted a claim. We then offered to settle this withdrawal liability claim by offering a 100K lien on the hotel property.

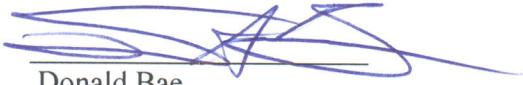
9. Before we received a response to this offer, the instant NY lawsuit was filed.

10. As is clear, the allegations in paragraph 16 of the complaint are false because we were in active negotiation to settle this matter.

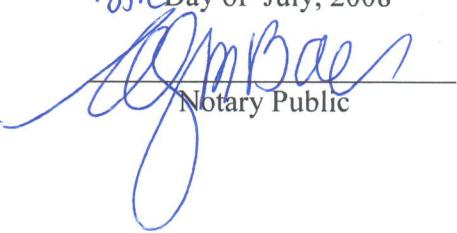
11. We would have sought to arbitrate this case if the plaintiffs had given us a response. I have been informed by my New York lawyer that the Plaintiffs' counsel has rejected this offer. I have asked my local Illinois attorney to begin arbitration of this matter here in Illinois.

12. I am therefore asking this court to dismiss this lawsuit and /or transfer it to Illinois.

WHEREFORE, I respectfully request that this mater be dismissed for the reasons mentioned in the accompanying Memorandum of Law.


Donald Bae
President of Village Resorts Inc.

Sworn to before me on the
18th Day of July, 2008


Notary Public

